

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:295
ANSWERED ON:22.03.2002
INCOME TAX LOCKED UP IN LITIGATION
SULTAN SALAHUDDIN OWAISI;SUSHIL KUMAR INDORA

Will the Minister of FINANCE be pleased to state:

- (a) whether attention of the Government has been drawn to the news-item captioned 'Litigation lock up IT worth Rs.4000 crore' appearing in the Times of India dated February 19, 2002;
- (b) if so, the total tax outstanding against various Government, Semi-Government and private companies at present under litigation;
- (c) whether the Government have requested the Ministry of Law to set up special courts for speedy disposal of tax cases;
- (d) if so, the response of the Law Ministry in this regard;
- (e) the steps taken or being taken by the Government to recover the outstanding amount at the earliest possible; and
- (f) the total amount likely to be recovered by the Government out of this outstanding dues during the current year?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO.295 FOR 22ND MARCH, 2002 (HATTRA, 1924 (SAKA)) RAISED BY SHRI SULTAN SALAHUDDIN OWAISI AND SUSHIL KUMAR INDORA REGARDING INCOME T. LOCKED UP IN LITIGATION.

- (a) Yes, Sir.

(b) The total tax outstanding against various Government, Semi-Government and private companies at present under litigation as on 31.1.2002 (as per provisional figures available) is Rs.61393.32 crores.

(c) No, Sir. However, the Government of India has created 15 additional benches of Income Tax Appellate Tribunal in 1997 to ensure disposal of larger number of cases.

(d) Not applicable in view of reply to Part (c) above.

(e) A number of steps have been taken to improve realisation of arrears of taxes, which are briefly as follows:-

- Reduction and collection of arrear demand is always a major area of the Annual Action Plan Target formulated by the CBDT for the I.T. Department and its achievement is pursued with seriousness.

- Additional posts of Commissioner (Appeals) and Tax Recovery Officers have been created for quicker disposal of cases and better collection of arrear demand during the current year.

- The cases where taxes in arrear exceeding Rs.10 lakhs are reviewed at the end of every quarter and necessary instructions are issued to the Officers concerned to expedite the collections. Machinery of Settlement Commission has been created for resolving of disputes, early settlement of litigated cases and collection of taxes

(f) During the current year an amount of Rs.2158 crores has been collected and demands amounting to Rs.5427 crores have been reduced upto 31.1.2002. The collections are likely to go upto Rs.4000 crores.